

A REFRESHED PURPOSE FOR FR

Purpose

1. To seek agreement on the purpose of a refreshed Forest Research Agency.

Recommendations

2. That the board discuss the points raised in the paper and whether paragraphs 8 & 9 are appropriate draft aims and objectives for the revised Agency.

Background

3. On 18th December 2014 the Forestry Commissioners endorsed the conclusions of the WPEP Cross-Border Functions Project Phase 2 (Stage 1) Report. The report identified a shortlist of six alternative models (including the status quo) for the ongoing delivery of FC's cross-border functions. Four of the alternative models (company limited by guarantee, company limited by shares, government / research establishment merger and university institute) will be further explored as the next stage of the WPEP process with the goal of providing a range of informed options to new Ministers immediately after the 2015 General Election.
4. Alongside this the Commissioners have asked Director Central Services to initiate a separate project to explore the fifth alternative model: Non-Ministerial Department with a Refreshed Executive Agency. Any changes arising out of the project will constitute an internal reorganisation within the FC and are therefore constrained to any proposals which the FC has authority to implement. The conclusions of this project will in-turn help to inform the further work of the WPEP CBF project. A summary of the key references to FR from the WPEP process are contained at annex A.
5. The analysis recently undertaken as part of the WPEP programme, along with the internal development of the Roadmap for Shared Services, both support a medium-term need to repatriate as many of FC's existing cross-border functions and shared services back to the devolved administrations. It is therefore likely that a future variant of FR be one of the few organisations capable of delivering specialist GB wide support to the forestry sector; with all other functions and services either being delivered directly by the devolved administrations (possibly in collaboration with each other) or divested through changes in forestry legislation.

A Refreshed Look

6. A preliminary scoping meeting was held in December 2014 where the options for drafting a refreshed 'compelling proposition' for FR were discussed. The key points arising from this meeting were:
 - a) The refreshed agency would be the UK, Scottish and Welsh governments' supplier of choice for forestry specific science, evidence and technical advice

- b) The agency will continue to operate a full cost recovery commercial research model securing both public and private funds to enhance its core capacity whilst delivering value for money to its customers .
- c) The medium and long term requirements of the refreshed agency should be clearly articulated and matched by medium and long term funding, within the normal constraints of public finances.
- d) The agency will have an outward-looking and collaborative focus. Where appropriate it will provide a bridge between other public-sector bodies, institutions, universities, NGOs and private sector companies to share expertise and resources - thereby enhancing any benefits gained.

7. Other points:

- a) The meeting recognised that FR is a strong brand and that this should be developed further and enhanced Any interim operational models adopted for the refreshed agency must be financially robust and capable of further evolution as and when required.

Future vision

- 8. The refreshed agency will be recognised as one of Europe's leading provider of applied forest and tree-related science, policy evidence, technical development, specialist extension services and professional training.

Future Objectives of the Agency

- 9. FR's high level objectives are likely to be:
 - a) To provide evidence and expertise to inform the development and delivery of UK, Welsh, Scottish and European forest and environment policies.
 - b) To provide innovative applied research, development, monitoring, scientific services and professional training to UK, European and international forestry stakeholders.
 - c) To transfer research knowledge directly, and/or in partnership with others, to UK, European and international audiences
 - d) To be the preferred supplier of choice to the UK, Scottish and Welsh governments for forestry science as a result of its quality of service, value for money and reputation with the sector
 - e) To develop the UK, Scottish and Welsh forest science and research capacity through staff recruitment, training and development

Future operational requirements

- 10. The refreshed agency will;
 - a) be increasingly arms-length and independent operating on the basis of a mixed market commercial research model,
 - b) have new governance arrangements comprising of a new executive board with non-executive representatives from the three countries and private sector alongside key executive staff,

- c) focus delivery through a network of preferred academic and institutional partners across the World,
- d) retain direct control over its asset base (NRS and AH) with an option to own them under any future transition to an alternative operating model,
- e) have a 5 year guaranteed level of support from its core government clients (FC, Defra, Scottish and Welsh Governments),
- f) develop new co-operative funding models for supporting forest science with the private sector.
- g) retain an option for staff interchanges / secondments with government and industry partners

Conclusions

11. The board is invited to discuss whether;

- a) key points under item 6 are an accurate reflection of their position,
- b) the initial future vision (para 8) encompasses some elements the board wish to see going forward;
- c) the proposed high level objectives (para 9) adequately address the vision, and
- d) the future operational requirements (para 10) allow the refreshed agency freedom to operate and develop both now and under future operational scenarios

ANNEX A: WPEP comments relating to FR

[Westminster] Government Forestry and Woodlands Policy Statement

To achieve our objective of having strong and resilient forestry delivery arrangements that achieve better quality outcomes for the economy, people and nature, we will ... work with the devolved nations to ensure that vital cross-border functions in areas such as research, standards and tree health can continue to be delivered centrally, where this is appropriate...

CBF Phase 1 Report, Page 27

The board agreed that there are powerful reasons for maintaining a single science centre for forest research expertise within the UK, able to provide expert advice in all countries. The requirement for forestry specific research is likely to at least remain at the current level and may increase to support developing policy and emerging challenges. While the research landscape across government continues to evolve to ensure that optimal use is made of all research facilities including the university network, the board agreed that Forest Research was able to provide institutional continuity and the capability to link scientific understanding to practical application and problem solving in the field. Accordingly, the board agreed that the common evidence base, technical expertise, applied research skills, forestry specific focus and advisory services provided by Forest Research are critical to forestry across the UK.

CBF Phase 1 Report Conclusions

Phase two of the project should now examine what the most appropriate organisational model(s) might be for delivering the functions into the future, including the option for bringing together specialist functions such as economics, statistics and national forest inventory with the broad range of other expertise currently in Forest Research.

CBF Phase 2 (Stage 1) Report Conclusions

One of the alternative delivery models which is potentially applicable to a range of scenarios is the non-ministerial department (i.e. FC) with a refreshed research agency. Depending on the scenario which comes to pass this refreshed research agency model is plausible either as a possible end in itself or potentially as a stepping point to one of the other models, such as a research company or university institute. It is therefore proposed that the next stage of this phase of the project should examine the options and implications of moving to the refreshed agency model. This would include:

- The purpose of the refreshed agency.
- Which functions should be included within a refreshed agency?
- What are the implications, if any, for the remaining CBF - such as research commissioning?
- What benefits are there from moving to the refreshed agency model and what changes are required to deliver these?
- What are the costs and other impacts of moving to the model – for example the cost of change and the impacts on staff?

It is proposed that this piece of work will be progressed as a separate FC internal project.